

2025

CORPORATE ACCOUNTING — GENERAL

Paper : DSE-5.2AG

Full Marks : 80

*Candidates are required to give their answers in their own words
as far as practicable.*

প্রাপ্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ - ক

- ১। P. Ltd. জনগণ কর্তৃক গ্রহণের জন্য ₹ 10 দামের 20,000 ইকুইটি শেয়ার ₹ 2 অধিহারে বিলি করেছে যা নিম্নরূপভাবে প্রদেয় :
শেয়ারপ্রতি Application ₹ 3; শেয়ারপ্রতি Allotment ₹ 6 (শেয়ারপ্রতি ₹ 2 অধিহারসমতে); শেয়ারপ্রতি Final
Call ₹ 3। শেয়ার বাবদ প্রাপ্য অর্থ সব পাওয়া গেছে কেবলমাত্র 500 শেয়ারের উপর Final Call বাবদ অর্থ পাওয়া যায়নি।
উক্ত 500 শেয়ার বাজেয়াপ্ত করা হয়েছে এবং পরবর্তীতে 400 শেয়ার প্রতিটি ₹ 9 দরে টাকা পূর্ণআদায়ীকৃত শেয়ার হিসাবে পুনর্বন্টন
করা হয়েছে।

উপরিউক্ত লেনদেনগুলি জাবেদায় ব্যাখ্যাসহ লিপিবদ্ধ করো।

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- ২। এম. কনস্ট্রাকশন লিমিটেড রিজার্ভ অ্যাকাউন্টে প্রচুর মুনাফা জমা করেছে এবং পরিচালনা পর্ষদ মূলধনকে চূড়ান্ত অবস্থানের
সঠিকভাবে প্রতিনিধিত্ব করতে এটি ব্যবহার করার সিদ্ধান্ত নিয়েছে।

The paid-up capital of company is ₹ 8,00,000 consisting of 50,000 equity shares of ₹ 10 each fully paid
and 50,000 equity shares of ₹ 10 each, ₹ 6 per share paid-up.

The Directors decided to issue one fully paid-up bonus share at a premium of ₹ 5 for every fully paid
share held and to make the partly paid shares fully paid.

অনুমান করো যে স্কিমটি গৃহীত হয়েছে এবং সমস্ত আইনি আনুষ্ঠানিকতা মানা হয়েছে। প্রয়োজনীয় জাবেদা দাখিলাগুলি ব্যাখ্যাসহ
লিপিবদ্ধ করো।

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অথবা

একটি কোম্পানি জনগণ কর্তৃক ক্রয়ের জন্য ₹ 10 দামের 2,00,000 শেয়ার ₹ 2 অধিহারে ইস্যু করেছে। সমগ্র ইস্যুটি
L, M, N ও O নামের underwriter-দের দ্বারা 4 : 3 : 2 : 1 অনুপাতে underwrite করা হয়েছে, যার মধ্যে firm
underwriting-এর পরিমাণ হল 5,000, 4,000, 2,000 ও 2,000 যথাক্রমে।

কোম্পানি জনসাধারণের থেকে আবেদন পেয়েছে 1,50,000 শেয়ারের জন্য (firm underwriting ছাড়া), যার মধ্যে 55,000,
40,000, 42,000 ও 8,000 শেয়ার L, M, N এবং O-এর পক্ষে marked.

Firm underwriting-এর সুবিধা ব্যক্তিগতভাবে underwriter-এর দেওয়া হবে না ধরে নিয়ে প্রত্যেক underwriter-এর শেয়ার
সংখ্যার নিরিখে দায়বদ্ধতা গণনা করো।

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৩। Alphabet Ltd. (a company specified under the Companies Act, 2013)-এর মূলধন কাঠামোটি নিম্নরূপ :

30,000 equity shares of ₹ 10 each, fully paid-up	₹ 3,00,000
1,000 6% preference shares of ₹ 100 each, fully paid-up	₹ 1,00,000
General Reserve	₹ 70,000
Profit & Loss A/c (cr.)	₹ 10,000
Investment Allowance Reserve	₹ 20,000 (not available for distribution of dividend)
Securities Premium	₹ 11,000

প্রেফারেন্স শেয়ারগুলি 10 শতাংশ অধিহারে পরিশোধের জন্য বকেয়া হয়েছে। কোম্পানি নতুন করে at par ভিত্তিতে ইকুইটি শেয়ার বিলি করার সিদ্ধান্ত নিয়েছে। এক্ষেত্রে মুনাফা ও সংস্থানের যথাযোগ্য ব্যবহার এমনভাবে করতে হবে যে General Reserve-এর জের ₹ 10,000 থাকবে। প্রয়োজনীয় জাবেদা দাখিলাগুলি দেখাও।

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অথবা

31শে মার্চ, 2025 তারিখে New Ltd.-এর উদ্বর্তপত্রটি হল নিম্নরূপ :

₹ in lakhs	
I Equity and Liabilities	
(1) Shareholders' Funds :	
(a) Share Capital :	
Equity fully paid-up shares of ₹ 10 each	2,400
(b) Reserve and Surplus :	
(i) Securities Premium Account	350
(ii) General Reserve	930
(iii) Surplus Account	340
(2) Non-Current Liabilities :	
12% Debentures	1,500
(3) Current Liabilities :	
(a) Sundry Creditors	750
(b) Sundry Provisions	390
Total	6,660

		₹ in lakhs
II Assets		
(1) Non-Current Assets :		
(a) Property, Plant and Equipment :		
(i) Machinery		3,600
(ii) Furniture		452
(b) Investments		148
(2) Current Assets :		
(a) Stock		1,200
(b) Debtors		520
(c) Cash at Bank		740
Total		6,660

On 1st April, 2025, the company announced the buy-back of 25% of its equity shares @ ₹ 15 per share. For the purpose, it sold all of its investments for ₹ 150 lakh and issued 2,00,000 14% Preference Shares of ₹ 100 each at par, the entire amount being payable with application.

The issue was fully subscribed. The company achieved the target of the buy-back.

Later, the company issued one fully paid-up equity share of ₹ 10 by way of bonus share for every four equity shares held by the equity shareholders.

নগদ লেনদেনগুলিসহ সকল লেনদেনের জন্য জাবেদা দাখিলাগুলি লিপিবদ্ধ করো।

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8। 1 এপ্রিল, 2024-এ একটি কোম্পানির হিসাব বইতে নিম্নলিখিত ব্যালেন্সগুলি রয়েছে :

10% Debentures ₹ 6,00,000; 10% Debenture Sinking Fund ₹ 4,45,000; Sinking Fund was invested in the following securities :

₹ 2,00,000, 6% Govt. Loan ₹ 2,10,000 and ₹ 2,50,000, 8% Debenture ₹ 2,40,000.

Annual Contribution to sinking fund ₹ 96,000 is made on 31st March every year. On 31st March, 2025 balance at bank was ₹ 3,00,000 after receipt of interest. The company sold the investments at their face value and 10% Debentures were paid off on 31.03.2025.

You are required to prepare :

- (ক) 10% Debenture Sinking Fund A/c,
(খ) Debenture Sinking Fund Investment A/c, and
(গ) Bank A/c.

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৫। নীচে একটি অংশীদারি প্রতিষ্ঠান দাস অ্যান্ড কোং সম্পর্কে বিশদ বিবরণ রয়েছে :

- (অ) Average capital employed in the business is ₹ 8,00,000.
(আ) Net Trading Profit of the firm for the past three years : ₹ 1,08,500, ₹ 91,600 and ₹ 1,10,700.
(ই) Return on capital employed is 10%.
(ঈ) Fair remuneration to the partners for their services : ₹ 10,000 per annum
(উ) Profits included non-recurring profits on average basis of ₹ 1,000 out of which it was considered that even non-recurring profits has a tendency to be recurring at an average rate of ₹ 500 per year.
(ঊ) Sundry Assets of the firm ₹ 6,50,000 and the current liabilities ₹ 50,000.

নিম্নলিখিত পদ্ধতির মাধ্যমে প্রতিষ্ঠানের সুনামের মূল্যায়ন করো :

- (ক) Three years' purchase of super profit
(খ) Capitalization method.

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একটি কোম্পানির নিম্নলিখিত বিবরণ দেওয়া হয়েছে :

- (অ) Capital : 3,000 7% Preference Shares of ₹ 100 each, fully paid; 82,000 equity shares of ₹ 10 each, fully paid.
(আ) External Liabilities ₹ 4,50,000.
(ই) Reserve and Surplus ₹ 3,50,000.
(ঈ) The average profit (after taxation) earned every year by the company ₹ 1,55,250.
(উ) The normal profit earned on the market value of equity shares, fully paid, of the same type of companies is 9.5%.

Calculate the value of equity shares by :

- (ক) The asset backing method assuming that, out of the total assets, those worth ₹ 27,000 are fictitious
(খ) The earning capacity method.

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বিভাগ - খ

৬। 31.03.2024 তারিখে Tavera Ltd.-এর উদ্বর্তপত্রটি নিম্নরূপ :

Particulars	Note No.	Amount ₹
I Equity and Liabilities		
1. Shareholders' Fund :		
(a) Equity Share Capital (₹ 10 each, fully paid)		10,00,000
(b) Reserve and Surplus	1	4,00,000
2. Non-Current Liabilities :		
Long-term borrowings : 8% Debenture of ₹ 100 each		6,00,000
3. Current Liabilities :		
(a) Trade Payables – Sundry Creditors		6,00,000
(b) Short-term Provision – Provision for Taxation		1,00,000
Total		27,00,000
II Assets		
1. Non-Current Assets :		
(a) Tangible Assets	2	9,00,000
(b) Non-Current Investment		7,00,000
2. Current Assets :		
(a) Inventory		1,00,000
(b) Trade Receivables – Sundry Debtors		8,00,000
(c) Cash and Cash Equivalents		2,00,000
Total		27,00,000

Notes to Accounts :

Particulars	Amount (₹)
1. Reserves and Surplus :	
General Reserves	3,00,000
Profit & Loss Balance	2,00,000
Less : Preliminary Expenses	1,00,000
	4,00,000
2. Tangible Asset :	
Land and Building	6,00,000
Plant and Machinery	3,00,000
	9,00,000

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Tavera Ltd.-কে নিম্নলিখিত শর্তে Baleno Ltd. অধিগ্রহণ করেছে 01.04.2024 তারিখে :

- (অ) Baleno Ltd. সমস্ত সম্পত্তি অধিগ্রহণ করবে কেবলমাত্র নগদ ও বিনিয়োগ ছাড়া।
 (আ) Baleno Ltd., Tavera Ltd.-এর ডিবেঞ্চর হোল্ডারদের ডিবেঞ্চরপ্রতি ₹ 110 করে প্রদান করবে।
 (ই) Tavera Ltd.-এর শেয়ারহোল্ডারগণ প্রতি 10 ইকুইটি শেয়ারের পরিবর্তে Baleno Ltd.-এর 5টি ₹ 10 দামের ইকুইটি শেয়ার ₹ 18 দামে পাবে।
 (ঈ) Tavera Ltd.-এর ইকুইটি শেয়ার প্রতি ₹ 4 করে আরও নগদ প্রদান করতে হবে।

Tavera Ltd. বিনিয়োগগুলি 40 শতাংশ মুনাফাতে বিক্রয় করেছে এবং 25 শতাংশ অবহারে পাওনাদারদের পাওনা প্রদান করা হয়েছে।

(উ) করদায় ₹ 1,10,000 নির্ধারিত হয়েছে।

উপরোক্ত তথ্যের ভিত্তিতে :

- (ক) Tavera Ltd.-এর হিসাববই বন্ধ করার জন্য প্রয়োজনীয় খতিয়ান প্রস্তুত করো।
 (খ) Baleno Ltd.-এর জাবেদায় দাখিলা করে দেখাও।

১৫

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31 মার্চ, 2025 তারিখে B. Ltd.-এর উদ্বর্তপত্রটি নিম্নরূপ :

Particulars	Note No.	₹
I Equity and Liabilities		
1. Shareholders' Fund :		
(a) Share Capital	1	11,00,000
(b) Reserve and Surplus : P/L Balance		(2,30,000)
2. Non-Current Liabilities :		
Long-term borrowing : Secure Loan		50,000
3. Current Liabilities :		
Trade Payables (S. Creditors)		1,25,000
Total		10,45,000
II Assets		
1. Non-Current Assets :		
Property, Plant and Equipment		
(i) Tangible Assets	2	7,00,000
(ii) Intangible Assets	3	1,95,000
2. Current Assets :		
(i) Inventories		1,35,000
(ii) Trade Receivables : Debtors		90,000
(iii) Cash and Cash Equivalents	4	(75,000)
Total		10,45,000

(7)

C(5th Sm.)-Corporate Accounting-G/DSE-5.2AG/CBCS

Notes to Balance Sheet (Includes)

Particulars	Amount (₹)
1. Share Capital :	
3,000, 5% Preference Shares of ₹ 100 each	3,00,000
8,000 Equity Shares of ₹ 100 each	8,00,000
	11,00,000
2. Tangible Assets :	
Land and Building	4,50,000
Plant and Machinery	2,50,000
	7,00,000
3. Intangible Assets :	
Goodwill	1,50,000
Patents	45,000
	1,95,000
4. Cash and Cash Equivalents :	
Bank Balance	30,000
Bank Overdraft	(1,05,000)
	(75,000)

The company undertook the following scheme of reconstruction :

- (অ) Equity shares were to be reduced to shares of ₹ 50 each, fully paid up.
- (আ) Preference shares were to be converted into 7% Preference Shares of ₹ 70 each fully paid up
- (ই) Sundry Creditors agreed to give up 1/5th of their claims provided they were paid off immediately
- (ঈ) Expenses of reconstruction were to be ₹ 7,500.
- (উ) The company decided :
- to write off Goodwill, deficit balance of Statement of P/L and Patents
 - to write down Plant and Machinery by ₹ 45,000 and inventories by ₹ 20,000
 - to create a provision for Doubtful Debts @ 5%.

কোম্পানির বইতে প্রদত্ত scheme of reconstruction-এর জন্য প্রয়োজনীয় জাবেদগুলি লিপিবদ্ধ করে।

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৭। 31.03.2024 তারিখে PP. Ltd.-এর রেওয়ামিলিটি নিম্নরূপ :

Particulars	Amount (₹)	Amount (₹)
Stock as on 01.04.2023	1,20,000	—
Purchases and Sales	4,80,000	7,20,000
Return Outwards	—	20,000
Salaries and Wages	80,000	—
Rent	10,000	—
Sundry Expenses	14,000	—
Profit and Loss Balance (01.04.2023)	—	20,000
Machinery	1,00,000	—
Furniture	45,000	—
Debtors and Creditors	81,000	31,000
Cash at Bank	70,000	—
Bills Receivable and Bills Payable	10,000	12,000
Patent and Trademarks	30,000	—
Share Capital	—	2,20,000
General Reserve	—	17,000
	10,40,000	10,40,000

অতিরিক্ত তথ্যসমূহ :

(অ) কোম্পানির অনুমোদিত মূলধনের পরিমাণ ₹ 10,00,000।

(আ) 31.03.2024 তারিখে মজুতপণ্যের পরিমাণ ₹ 1,80,000।

(ই) যন্ত্রপাতির উপর 10 শতাংশ হারে, আসবাবপত্রের উপর 15 শতাংশ হারে এবং পেটেন্ট ও ব্যবসায়িক মার্কেটের উপর 5 শতাংশ হারে অবচয় ধার্য করো।

(ঈ) আয়করের জন্য 40 শতাংশ হারে সঞ্চিতি করতে হবে।

(উ) কর পরবর্তী নিট মুনাফার 10% Reserve-এ স্থানান্তর করতে হবে।

উপরিউক্ত তথ্যসমূহ থেকে 31.03.2024 তারিখে সমাপ্ত বছরের লাভ-ক্ষতির বিবরণী এবং উক্ত তারিখে একটি উদ্বর্তপত্র তৈরি করো। লভ্যাংশ বন্টনের উপর আয়কর ধার্য করার প্রয়োজন নেই।

[English Version]*The figures in the margin indicate full marks.***Group - A**

1. P. Ltd. issued for public subscription 20,000 equity shares of ₹ 10 each, at a premium of ₹ 2 per share payable as follows :

₹ 3 on application, ₹ 6 on allotment (including ₹ 2 as premium) and ₹ 3 on final call. All the money was received in full with the exception of final call money on 500 shares.

The above 500 shares were duly forfeited and 400 of these have been reissued at ₹ 9 per share (fully paid-up).

Pass necessary Journal Entries with narration giving effect to the above transactions. 10

2. M Construction Ltd. has accumulated large profits in the Reserve Account and the Board of Directors decided to utilize it to make the capital properly representative of the final position.

The paid-up capital of company is ₹ 8,00,000 consisting of 50,000 equity shares of ₹ 10 each fully paid and 50,000 equity shares of ₹ 10 each, ₹ 6 per share paid-up.

The Directors decided to issue one fully paid-up bonus share at a premium of ₹ 5 for every fully paid share held and to make the partly paid shares fully paid.

Assuming that the scheme is accepted and that all legal formalities are gone through, pass necessary Journal Entries with narration. 10

Or

A company made a public issue of 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The entire issue was underwritten by the underwriters L, M, N and O in the ratio of 4 : 3 : 2 : 1 respectively with the provision of firm underwriting of 5,000, 4,000, 2,000 and 2,000 shares respectively.

The company received application for 1,50,000 shares (excluding firm underwriting) from public, out of which applications for 55,000, 40,000, 42,000 and 8,000 shares were marked in favour of L, M, N and O respectively.

Calculate the Liability of each underwriter as regards to the number of shares to be taken up assuming that the benefit of firm underwriting is not given to the individual underwriter. 10

3. The capital structure of Alphabet Ltd. (a company specified under the Companies Act, 2013) is as below :

30,000 equity shares of ₹ 10 each, fully paid-up	₹ 3,00,000	
1,000 6% preference shares of ₹ 100 each, fully paid-up	₹ 1,00,000	
General Reserve	₹ 70,000	
Profit & Loss A/c (cr.)	₹ 10,000	
Investment Allowance Reserve	₹ 20,000	(not available for distribution of dividend)
Securities Premium	₹ 11,000	

The Preference shares are due for redemption at a premium of 10%. The company decides to make a fresh issue at par of Equity Shares and to make use of sufficient Profits and Reserves in a manner that a minimum balance of ₹ 10,000 is maintained in General Reserve.

Show the Journal Entries to give effect to the above arrangements. 10

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Or

On 31st March, 2025, following balances were taken from the books of New Ltd. :

₹ in lakhs

I. Equity and Liabilities	
(1) Shareholders' Funds :	
(a) Share Capital :	
Equity fully paid-up shares of ₹ 10 each	2,400
(b) Reserve and Surplus :	
(i) Securities Premium Account	350
(ii) General Reserve	930
(iii) Surplus Account	340
(2) Non-Current Liabilities :	
12% Debentures	1,500
(3) Current Liabilities :	
(a) Sundry Creditors	750
(b) Sundry Provisions	390
Total	6,660
II. Assets	
(1) Non-Current Assets :	
(a) Property, Plant and Equipment :	
(i) Machinery	3,600
(ii) Furniture	452
(b) Investments	148
(2) Current Assets :	
(a) Stock	1,200
(b) Debtors	520
(c) Cash at Bank	740
Total	6,660

On 1st April, 2025, the company announced the buy-back of 25% of its equity shares @ ₹ 15 per share. For the purpose, it sold all of its investments for ₹ 150 lakh and issued 2,00,000 14% Preference Shares of ₹ 100 each at par, the entire amount being payable with application.

The issue was fully subscribed. The company achieved the target of the buy-back.

Later, the company issued one fully paid-up equity share of ₹ 10 by way of bonus share for every four equity shares held by the equity shareholders.

Show Journal Entries for all the transactions including cash transactions.

10

4. Following balances appeared in the books of a company on 1st April, 2024 :

10% Debentures ₹ 6,00,000; 10% Debenture Sinking Fund ₹ 4,45,000; Sinking Fund was invested in the following securities :

₹ 2,00,000, 6% Govt. Loan ₹ 2,10,000 and ₹ 2,50,000, 8% Debenture ₹ 2,40,000.

Annual Contribution to sinking fund ₹ 96,000 is made on 31st March every year. On 31st March, 2025 balance at bank was ₹ 3,00,000 after receipt of interest. The company sold the investments at their face value and 10% Debentures were paid off on 31.03.2025.

You are required to prepare :

- (a) 10% Debenture Sinking Fund A/c,
- (b) Debenture Sinking Fund Investment A/c, and
- (c) Bank A/c.

10

5. The following are the particulars about Das & Co., a partnership firm :

- (i) Average capital employed in the business is ₹ 8,00,000.
- (ii) Net Trading Profit of the firm for the past three years : ₹ 1,08,500, ₹ 91,600 and ₹ 1,10,700.
- (iii) Return on capital employed is 10%.
- (iv) Fair remuneration to the partners for their services : ₹ 10,000 per annum.
- (v) Profits included non-recurring profits on average basis of ₹ 1,000 out of which it was considered that even non-recurring profits has a tendency to be recurring at an average rate of ₹ 500 per year.
- (vi) Sundry Assets of the firm ₹ 6,50,000 and the current liabilities ₹ 50,000.

Ascertain the value of goodwill of the firm under the following methods :

- (a) Three years' purchase of super profit
- (b) Capitalization method.

8+2

Or

The following particulars are available in relation to a company :

- (i) Capital : 3,000 7% Preference Shares of ₹ 100 each, fully paid; 82,000 equity shares of ₹ 10 each, fully paid.
- (ii) External Liabilities ₹ 4,50,000.
- (iii) Reserve and Surplus ₹ 3,50,000.
- (iv) The average profit (after taxation) earned every year by the company ₹ 1,55,250.
- (v) The normal profit earned on the market value of equity shares, fully paid, of the same type of companies is 9.5%.

Calculate the value of equity shares by :

- (a) The asset backing method assuming that, out of the total assets, those worth ₹ 27,000 are fictitious
- (b) The earning capacity method.

5+5

Please Turn Over

(4086)

Group - B

6. Below is the Balance Sheet of Tavera Ltd. as on 31.03.2024 :

Particulars	Note No.	Amount ₹
I Equity and Liabilities		
1. Shareholders' Fund :		
(a) Equity Share Capital (₹ 10 each, fully paid)	1	10,00,000
(b) Reserve and Surplus		4,00,000
2. Non-Current Liabilities :		
Long-term borrowings : 8% Debenture of ₹ 100 each		6,00,000
3. Current Liabilities :		
(a) Trade Payables – Sundry Creditors		6,00,000
(b) Short-term Provision – Provision for Taxation		1,00,000
Total		27,00,000
II Assets		
1. Non-Current Assets :		
(a) Tangible Assets	2	9,00,000
(b) Non-Current Investment		7,00,000
2. Current Assets :		
(a) Inventory		1,00,000
(b) Trade Receivables – Sundry Debtors		8,00,000
(c) Cash and Cash Equivalents		2,00,000
Total		27,00,000

Notes to Accounts :

Particulars	Amount (₹)
1. Reserves and Surplus :	
General Reserves	3,00,000
Profit & Loss Balance	2,00,000
Less : Preliminary Expenses	1,00,000
	4,00,000
2. Tangible Asset :	
Land and Building	6,00,000
Plant and Machinery	3,00,000
	9,00,000

Tavera Ltd. was absorbed by Baleno Ltd. on 01.04.2024 on the following terms :

- (i) Baleno Ltd. will take over all assets except cash and investments.
 - (ii) Baleno Ltd. will pay ₹ 110 per Debenture to the Debenture holders of Tavera Ltd.
 - (iii) Shareholders of Tavera Ltd. will get 5 equity shares of ₹ 10 each at ₹ 18 each from Baleno Ltd. for every 10 equity shares.
 - (iv) A further cash payment of ₹ 4 for each equity share in Tavera Ltd.
- Tavera Ltd. sold the investments at a profit of 40% and paid-off the creditors at a discount of 25%.
- (v) The tax liability was determined at ₹ 1,10,000.

You are required to—

- (a) close the books of Tavera Ltd. preparing the Ledger accounts, and
- (b) show Journal Entries in the books of Baleno Ltd.

15

Or

Following is the Balance Sheet of B Ltd. as on 31.03.2025 :

Particulars	Note No.	₹
I Equity and Liabilities		
1. Shareholders' Fund :		
(a) Share Capital	1	11,00,000
(b) Reserve and Surplus : P/L Balance		(2,30,000)
2. Non-Current Liabilities :		
Long-term borrowing : Secure Loan		50,000
3. Current Liabilities :		
Trade Payables (S. Creditors)		1,25,000
Total		10,45,000
II Assets		
1. Non-Current Assets :		
Property, Plant and Equipment		
(i) Tangible Assets	2	7,00,000
(ii) Intangible Assets	3	1,95,000
2. Current Assets :		
(i) Inventories		1,35,000
(ii) Trade Receivables : Debtors		90,000
(iii) Cash and Cash Equivalents	4	(75,000)
Total		10,45,000

Please Turn Over

Notes to Balance Sheet (Includes)

Particulars	Amount (₹)
1. Share Capital :	
3,000, 5% Preference Shares of ₹ 100 each	3,00,000
8,000 Equity Shares of ₹ 100 each	8,00,000
	11,00,000
2. Tangible Assests :	
Land and Building	4,50,000
Plant and Machinery	2,50,000
	7,00,000
3. Intangible Assets :	
Goodwill	1,50,000
Patents	45,000
	1,95,000
4. Cash and Cash Equivalents :	
Bank Balance	30,000
Bank Overdraft	(1,05,000)
	(75,000)

The company undertook the following scheme of reconstruction :

- (i) Equity shares were to be reduced to shares of ₹ 50 each, fully paid up.
- (ii) Preference shares were to be converted into 7% Preference shares of ₹ 70 each, fully paid up.
- (iii) Sundry Creditors agreed to give up 1/5th of their claims provided they were paid off immediately.
- (iv) Expenses of reconstruction were to be ₹ 7,500.
- (v) The company decided :
 - to write off Goodwill, deficit balance of Statement of P/L and Patents
 - to write down Plant and Machinery by ₹ 45,000 and inventories by ₹ 20,000
 - to create a provision for Doubtful Debts @ 5%.

Show Journal entries giving effects to the scheme of reconstruction.

15

7. The Trial Balance of PP. Ltd. as on 31.03.2024 is as below :

Particulars	Amount (₹)	Amount (₹)
Stock as on 01.04.2023	1,20,000	—
Purchases and Sales	4,80,000	7,20,000
Return Outwards	—	20,000
Salaries and Wages	80,000	—
Rent	10,000	—
Sundry Expenses	14,000	—
Profit and Loss Balance (01.04.2023)	—	20,000
Machinery	1,00,000	—
Furniture	45,000	—
Debtors and Creditors	81,000	31,000
Cash at Bank	70,000	—
Bills Receivable and Bills Payable	10,000	12,000
Patent and Trademarks	30,000	—
Share Capital	—	2,20,000
General Reserve	—	17,000
	10,40,000	10,40,000

Additional information :

- (i) The authorized capital of the company is ₹ 10,00,000
- (ii) Stock as on 31.03.2024 ₹ 1,80,000
- (iii) Depreciate Machinery @ 10%, Furniture @ 15%, Patent & Trademarks @ 5%
- (iv) Make a provision for Income Tax @ 40%
- (v) 10% of net profit after tax is transferred to Reserve.

From the above information, prepare a Statement of Profit and Loss for the year ended 31.03.2024 and a Balance Sheet as on that date. Ignore dividend distribution tax.